



Fisheries and Oceans Canada
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April 30, 2006

Your file *Votre référence*

Our file *Notre référence*
NU-03-0096

Mr. Graham Gill
Diamonds North Resources Ltd.
Suite 510, 510 Burrard St.
Vancouver, BC V6C 3A8

Via electronic mail to:
ggill@diamondsnorthresources.com

Dear Mr. Gill:

Subject: Proposed works or undertakings will likely avoid negative effects to fish habitat.

Fisheries and Oceans Canada (DFO) received your proposal on February 23, 2006, concerning ongoing exploration and camp operations. To expedite future correspondence or inquiries, please refer to your referral title and file numbers when you contact us.

Referral File No.:	03-HCAA-CA7-000-000096
Habitat File No.:	NU-03-0096
Referral Title:	Exploration (Drilling) - Tahoe Lake Project, Tuktuk River, Kitikmeot

It is our understanding that your proposal consists of:

- *Continuation of a multi-year mineral exploration program from April 2006 onwards generally centered at latitude 70°30'N and general longitude 109°50'W involving: geological mapping, geophysical surveying, prospecting, diamond drilling and exploration camp establishment and operation.*

as outlined in the following plans:

- *A water licence renewal application and associated documents submitted to the Nunavut Water Board, dated December 15, 2005.*

If the above plans have changed since the time of submission, the advice in this letter may no longer apply and you should consult with us to determine if further review is needed.

We have concluded that a harmful alteration, disruption or destruction (HADD) of fish habitat is not likely to occur if you implement your plans as proposed. Therefore, a subsection 35(2) *Fisheries Act* Authorization is not necessary. However, failure to properly implement the measures outlined in your plans may result in contravention of subsection 35(1) of the *Fisheries Act*, which states: “*no person shall carry on any work or undertaking that results in the harmful alteration, disruption or destruction of fish habitat.*”

This letter of advice does not allow the deposit of deleterious substance (section 36 of the *Fisheries Act*) into waters frequented by fish nor does it release you from the responsibility to obtain any federal (for example, the *Navigable Waters Protection Act*), provincial, territorial or municipal approvals that may be needed.

We request that you notify us at least 10 working days before starting the work and that a copy of this letter be kept on site while work is in progress. If you have any questions concerning the above, or if my understanding of the proposal is either incorrect, incomplete, or if there are changes to the proposed works or undertakings, please contact myself directly by telephone at (867) 979-8011, by fax at (867) 979-8039, or by e-mail at moggyd@dfo-mpo.gc.ca.

Yours sincerely,

Original signed by:

Derrick Moggy
Habitat Management Biologist

C.C.: Phyllis Beaulieu – Nunavut Water Board (licensing@nwb.nunavut.ca)